



California Public Utilities Commission

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News Release

FOR IMMEDIATE RELEASE

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PUC SETS COSTS FOR EDISON

SAN FRANCISCO, July 9, 2004 – The California Public Utilities Commission (PUC) has set costs for Southern California Edison at \$2.814 billion for 2003, effective retroactive to May 2003. On an annualized basis, this represents an increase of \$73 million (2.7 percent) above Edison's present revenue requirement of \$2.741 billion for 2003. Edison had originally requested an increase of \$251 million (9.2 percent).

Edison's costs cover operations and maintaining and investing in the utility's generation, distribution, and central office functions. It excludes such costs as fuel, power procurement, and public purpose programs.

Edison's electric rates will be increased on a system average percentage change basis to give effect to the cost increases adopted by the Commission. In Phase 2 of this proceeding, the Commission is evaluating proposals regarding the allocation of revenue requirement responsibility to customer classes and the design of rate structures.

The Commission approved Edison's request to establish a late payment charge for residential customers along with an exemption for customers enrolled in the California Alternate Rates for Energy (CARE) program. The Commission also approved in part Edison's request to adjust its charges for returned checks, reconnects, service establishment, and field assignment to more closely align rates and charges with the principle of cost causation.

The Commission adopted standards for various areas of customer service and requires that compensatory rebates be paid to affected customers if Edison fails to meet those standards. Four service guarantees ordered by the Commission are:

- 1) Edison must meet agreed upon appointment times with its customers for installation and other related activities;
- 2) Edison must restore customer service within 24 hours;
- 3) Edison must provide at least three days notice of a planned interruption in service; and

4) Edison must issue an accurate first bill to a new customer account within 60 days of service initiation.

The Commission adopted benchmark performance standards for employee safety, system outage duration, outage frequency, and momentary outages, along with a performance incentive mechanism to provide rewards and penalties for system reliability improvements.

For more information on the PUC, please visit www.cpuc.ca.gov.

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